

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 HA-05 IO-14 CIAE-00 DODE-00 NSAE-00
NSCE-00 SSO-00 ICAE-00 INRE-00 PM-05 H-02 INR-10
L-03 PA-02 SP-02 SS-15 AID-05 EB-08 FRB-01
TRSE-00 XMB-04 OPIC-06 LAB-04 SIL-01 OMB-01 AGR-01
DOEE-00 DOE-15 SOE-02 STR-07 CEA-01 EUR-12 /137 W

-----120791 171346Z /46

O 171230Z AUG 78 ZFF-4

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC IMMEDIATE 2149

USDOC WASHDC IMMEDIATE

INFO AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMCONSUL JOHANNESBURG

UNCLAS PRETORIA 4785

E.O. 11652: N/A

TAGS: ETRD, SF

SUBJEC: REPORTED COMMERCE DEPARTMENT INQUIRIES OVER US
EXPORTS TO SOUTH AFRICA

SUMMARY: SOUTH AFRICAN PRESS IS CARRYING REPORTS OF SWING
AWAY FROM US IMPORTS OWING TO US TRADE CONTROLS. TRADE DATA
APPEARS TO CONFIRM THIS. URGENTLY REQUEST US TRADE
STATISTICS AND COMMENT ON THESE REPORTS. END SUMMARY

1. UNDER FRONT PAGE HEADLINE "US FEELS THE TRADE PINCH",
JOHANNESBURG STAR OF AUGUST 15 CARRIES REPORT OF ITS US
CORRESPONDENT HUGH ROBERTSON THAT COMMERCE DEPARTMENT
OFFICIALS HAD CONFIRMED THAT "CERTAIN INQUIRIES" WERE UNDER-
WAY CONCERNING A SHIFT AWAY FROM US BY SOUTH AFRICAN IM-
PORTERS AND COMMERCE "HAS ANXIOUSLY QUESTIONED SEVERAL
LEADING AMERICAN CORPORATIONS ON THE NEW TREND AND HAS
ALSO EXTENSIVELY INTERVIEWED A NUMBER OF SOUTH AFRICAN
COMPANIES WHICH HAVE RECENTLY SWITCHED FROM US SUPPLIERS
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TO EUROPEAN OR JAPANESE ALTERNATIVES".

2. US ELECTRONIC INDUSTRY REPORTEDLY HAD TOLD COMMERCE
THAT PRIMARY REASON FOR THIS WAS FEAR THAT THE CARTER
ADMINISTRATION MIGHT AT SOME FUTURE DATE LIMIT OR BAN
EXPORT OF PARTS OR OTHER VITAL EQUIPMENT AS A POLITICAL
GESTURE.

3. ARTICLE SAYS US EXPORTS TO SA DROPPED 23 PERCENT IN FIRST QUARTER OF 1978 WHILE FRENCH EXPORTS ROSE 57 PERCENT AND GERMAN 30 PERCENT.

4. FINANCIAL MAIL WHICH WILL APPEAR AUGUST 19 WILL ALSO CARRY A STORY ON US TRADE CONTROLS BUT WILL LEAD OFF WITH A REPORT THAT COMMERCE IS CONSIDERING THE "SOFTENING" OF US EMBARGO IN SUCH AREAS AS PHARMACEUTICALS.

5. COMMENT: WHILE THERE IS A WIDESPREAD IMPRESSION HERE THAT SOUTH AFRICAN FIRMS ARE CONCERNED OVER FUTURE STABILITY OF THE US AS A SOURCE OF SUPPLY, IT IS DIFFICULT TO IDENTIFY MANY SPECIFIC EXAMPLES OF US FIRMS LOSING ORDERS TO EUROPEAN SUPPLIERS. ONE SUCH CASE NOT YET CONFIRMED IS SALE OF LARGE ICL COMPUTER TO SAG DEPARTMENT OF PLURAL RELATIONS.

6. FALL IN US EXPORTS TO SOUTH AFRICA THAT OCCURRED IN 1977 WAS MORE OR LESS PARALLELED BY DROP IN SA IMPORTS FROM ITS MAIN EUROPEAN SUPPLIERS. ACCORDING TO SA STATISTICS, TREND IN US EXPORTS CONTINUED IN FIRST FOUR MONTHS OF 1978 WHEREAS UK, FRANCE, AND GERMANY ALL ENJOYED SHARP INCREASES.

7. SA STATISTICS SHOW JANUARY - APRIL IMPORTS FROM US UNCLASSIFIED

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OF R297 MILLION, COMPARED TO R374 MILLION IN SAME PERIOD OF 1977. DROP-OFF WAS CONCENTRATED IN BRUSSELS SECTIONS 17 (VEHICLES AND AIRCRAFT) AND 16 (MACHINERY AND ELECTRICAL EQUIPMENT). HOWEVER, JANUARY - MAY FIGURES SHOWN TO US PRIVATELY SEEM TO REFLECT AN IMPROVED RATE OF IMPORTS FROM US.

8. ACTION REQUESTED: IN VIEW OF NUMEROUS PRESS IN-QUIRIES, REQUEST COMMENT ON STAR'S REPORT AND SUMMARY OF LATEST US TRADE STATISTICS WITH SA AND INTERPRETATIONS' IF POSSIBLE. FINANCIAL MAIL IS DOING A MAJOR PIECE ON US-SA TRADE AND WOULD WELCOME ANY MATERIAL FROM US THAT WOULD TEND TO REFUTE ARGUMENT THAT SA IS SWINGING AWAY FROM US SOURCES OF SUPPLY.

9. IN ADDITION, AMBASSADOR HAS OFF-THE-RECORD TALK SCHEDULED WITH AMERICAN BUSINESSMEN AUGUST 23 AND WOULD LIKE LATEST DATA PLUS CLARIFICATION OF REPORT THAT EXPORT CONTROL REGULATIONS ARE BEING REVIEWED.

10. REPLY NEEDED BY OPENING OF BUSINESS TUESDAY, AUGUST 22.
EDMONDSON

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Message Attributes

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Draft Date: 17 aug 1978
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
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TAGS: ETRD, SF, US
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Review Markings:
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